

Teachers' Retirement System of the State of Kentucky
Retirement Annuity Trust
Quarterly Investment Information Update
September 30, 2021

TRS invests the members' funds in several diverse classes of assets, including equities, bonds, real estate, and alternative investments. This diversification helps us earn the highest possible long-term rate of return within appropriate risk levels. In turn, this enables us to pay guaranteed benefits to members and their beneficiaries at the lowest possible cost to participating employers and the taxpayers that fund them.

Generally, our liabilities will not be paid for as many as 30-40 years. Therefore, as a long-term investor, our holdings can withstand some short-term volatility. The System's long-term investment objective is to achieve an annualized rate of return of 7.5%. For the twenty year period ended September 30, 2021 the System's annualized return was 7.81%.

The TRS Board of Trustees regularly reviews asset allocations and adjusts them as necessary. The System's current asset allocation as of September 30, 2021 is reflected in the following schedule:

Asset Class	Percent of Assets in Category
Domestic and International Equities	62.2
Fixed Income	15.2
Additional Categories	7.8
Alternative Investments	7.2
Real Estate	5.9
Cash Equivalents	1.7

TRS updates this information regularly after the end of each quarter.